

**To The Senate Economic References Committee, Coverforce Strata Insure Pty Ltd,
Treasurers and Others**

**SELL ME ANOTHER: (IMPLICATIONS OF THE TECHNOLOGY COUNCIL OF AUSTRALIA'S
APPROACH TO INFORMATION TECHNOLOGY (IT) AND RELATED INDUSTRY MATTERS)**

Now you ask me if I'm sincere/ That's the question I always fear/ First seven it's never clear/ But I'll tell you what you wanna hear.

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Appeal to the Senate Economic References Committee about the approach of the Reserve Bank of Australia (RBA)

In going to the Senate Economic References Committee website to address the technology matters below and attached, in regard to the Reserve Bank of Australia (RBA) policy, functions, and direction, I came upon the opening statement to the Committee in the context of its digital banking inquiry, made by Tony Richards and David Emery of the Policy Department of the RBA. I questioned as attached. They state the following, yet still I wonder. Do you?

The Bank is also the principal regulator of the payments system. Our comments today will focus on this aspect of the Bank's mandate. The Bank's approach to the use of its regulatory powers under the Payment Systems (Regulation) Act 1998 has generally been to rely on industry- or market-driven solutions, only intervening when necessary on the grounds of its statutory responsibility for efficiency and competition in the payments system and controlling systemic risk.

Surely in fair trading, payments cannot be dealt with effectively in isolation from knowledge of receipts? I address the reduction or control of risk in regional banking and insurance terms below and hope you provide more comments to assist development in fairer directions of better managed competition.

The mission and aims of the Technology Council appear largely designed to sink the rest

I saw Robyn Denholm, Chair of the Technology Council of Australia, speak to the National Press Club on ABC TV recently. She said that technology creates great productivity. Does she simply mean that more activities are being drawn into the market rather than being provided freely in the family or in government employment? If so, so what? This may well be viewed as privatization which improves neither service to the people nor effective competition. This seems so if transactions appear increasingly put further into the ignorant dark, for example, using more so-called 'information' technology (IT). I address this subject.

On the other hand, Charles Littrell, senior adviser at the Central Bank of Bahamas and a former executive general manager at the Australian Prudential Regulation Authority writes a brilliant article in the Australian Financial Review entitled **How to clean up dirty money** (AFR 15.8.22, p.38). Surely the current Reserve Bank of Australia inquiry should be directed to it

in regard to the appropriate state relationship to law and corruption. Litteral writes that like the rest of the developed world, Australia spends much time on self-congratulation for an anti-money-laundering system that doesn't work. Among other things, he recommends limitation of the present obsession with monitoring financial transactions in order to focus instead on examining apparently illicit assets which are sitting still, rather than moving. He recommends focusing on luxury real estate, particularly cross-border real estate, to find out more about corruption in order to treat it better. In comparison, an Independent Commission Against Corruption looks like more fiddling around the edges of existing national paradigms rather than preparing them better for international futures. I will refer later to Richard Florida's book **The Rise of the Creative Class** (2003) for related directions.

It has been said, and I broadly agree, that in God or in love we may trust but all others should bring data. Like the new Australian Prime Minister (PM), I prefer high trust and high accountability in regard to service. However, I often fear that IT and its driving organizations, like the Technology Council of Australia, often appear to take us in wrong directions, towards darkness where we appear increasingly open only to be better fleeced.

I wonder how the Technology Council deals with the term 'information technology' which is now universally and unquestioningly accepted as the abbreviation - IT. Should the Technology Council simply promote more IT purchases to shape Australia's digital future, according to the Technology Council mission on its website? Only if it wants to keep killing off everything with weaker pockets than the US Harvard or related alumni push, I guess. The question of whether IT should be called **sales technology**, instead of **information technology**, surely begins any regional or related examination of how to serve the people in their representative regions better. One fears the Technology Council and its US driving.

Related financial and IT product and other service issues are addressed below, attached and on www.Carolodonnell.com.au, in our local, regional and international environment and housing contexts. Financial matters in the attached advice on government and industry are tackled in the light of the evidence contained in John Kay's book, **Other People's Money: Masters of the universe or servants of the people? (2015)**, Australian daily TV and press report and professional and personal knowledge and experience. Kay is a visiting professor at the London School of Economics and a fellow at St John's College Oxford. Among other things, he chaired the UK government review of Equity Markets which reported in 2012 and recommended substantial reforms. These consumer and service issues have driving and profound implications for IT design, choice and practice to serve their regional missions or not, as the case may be. The manufacturing mindset elevates their peers over all. I don't.

According to its website, the Technology Council of Australia aims to have technological activity (however defined) to contribute \$250 billion to gross domestic product (GDP) by 2030. It aims to make Australia the best country in the world to invest in technological business. Such goals appear comparatively mindless and without clear social or environmental direction, as well as likely to be driven by US Head Office interests against the rest. Technology appears best dealt with according to the requirements of its surrounding contexts. Richard Florida does this, for example, in his book **The Rise of the**

Creative Class. He sees three Ts as necessary for the creative society – technology, talent, and tolerance and considers the following work as defining the core of the class:

Computer and mathematical occupations; Architecture and engineering occupations; Life, physical and social science occupations; Education, training and library occupations; Arts, design, entertainment, sports and media occupations

The Technology Council of Australia seems unable to differentiate between technology which does the specified job well, and technology which appears primarily connected and controlling our lot from elsewhere, supposedly to make money for oneself through unknown others. This often seems more like selling technology than service and it appears to keep the US winning. Robyn Denholm said that California is one of the most expensive places in the world for technology production. (Truly? If so, why is this so?) Lamenting the attitude of the risk averse, she stated that her motto was *'If you can live with the worst outcome, take the risk'*. The worst outcome of a leap in the dark is potential or actual permanent disability or death. All the money may fall out of one's pockets or worse. One may easily lose one's house or others', for example. The Technology Council requires greater capacity to differentiate better between services than financial data alone can provide.

One wonders if the Technology Council of Australia ever intends to question the difference between informing and selling or forcing, using IT for example. One wonders if they deal intellectually with any moral and political contradictions which may regionally arise from their approach. Or do they simply follow standards common to their particular fellows? Baby, what do you think? In my view, their approach is not good for other industry or organizational productivity and I prefer managed competition guiding as discussed in former PM Kevin Rudd's book **The Avoidable War** (2022). It deals with the dangers of catastrophic conflict between the US and Xi Jinping's China. Rudd states that at the end of 2020, the property sector represented approximately 29% of Chinese gross domestic product (GDP), 41% of all Chinese bank loans and 78% of the wealth invested by urban Chinese (p.319). US and related property treatment was an earlier source of global financial crisis in 2008, which has fuelled increasing social and generational inequality since, in China and globally. Related technology easily appears a growing source of population harm, rather than good. Such moral issues do not appear to be the business of the Technology Council of Australia. My experience suggests that they think fighting in the dark is most productive. I disagree and address regionally related rather than common professional approaches to environment and housing services below and attached. Let us all try to understand more about what we are doing and why. (In my book that is the best way forward.)

Richard Florida, who is now a professor at the University of Toronto's School of Cities and Rotnam School of Management, recently wrote an article entitled **'How 'rise of the rest' became 'rise of the rents'** (AFR, 12.9.22 p. 28). He discusses US housing, in the theoretical context provided by the 19th century political economist and contemporary of Karl Marx, Henry George. In **Progress and Poverty** (1879) George apparently wrote that *'the progress of invention constantly tends to give a larger proportion of the produce of the owners of land and a smaller and smaller proportion to labour and capital'*. Florida notes that instead of

driving more innovation and growth the bounty of today's knowledge is instead diverted into rising land costs, real estate prices and housing values. I agree totally as a result of global and personal experience since my retirement from paid employment at the Sydney University Faculty of Health Sciences in 2007. I want to know what Australia can do about it.

Related housing and environment matters are addressed attached and at www.Carolodonnell.com.au The Illawarra Coast of NSW is particularly addressed, in relation to the particular plans of West Australian billionaire, Andrew Forrest and his Fortescue Future industries discussions in regard to the NSW blue or green carbon strategies, for example. In theory, private landowners and entrepreneurs can gain carbon credits by investment in protecting or rehabilitating coastal areas which act as carbon sinks. Seaweed forests, salt marshes, wetlands and other coastal areas could be tapped for carbon credits, NSW Environment Minister, James Griffin, told the AFR. Is this working to achieve any goals which are environmental rather than financial? Does anyone know or care? How? I also read Forrest is addressing green carbon technology with German interests. It's a big pie.

The new Commonwealth Minister for Environment and Water, Tanya Plibersek, released the State of Environment (2021) report in July 2022 at a National Press Club address on ABC TV. I address key financial and related regulatory matters attached and wonder: **How can the Biodiversity Conservation Investment Strategy of the Biodiversity Conservation Trust best support the promise of the new Commonwealth Labor government that by 2030 there should be 30% of Australian land and sea areas being conserved in line with the expectations of the UN Convention on Biological Diversity? (Has it ever worked before?)**

I discuss growing risks to better production of services in relation to my recent holiday on Stradbroke Island and in regard to the return to common housing matters in Sydney later. I also address the potential of the Voluntary Assisted Dying Act (2022) and the next state elections in this regional context. This death opportunity may best be seized by Dying with Dignity and Bob Brown among others, I guess. Surely these are also matters for any church services. The Pope, for example, gave clear directives in *Laudato Si*, his **Encyclical on the Environment**. How are they working? One hopes Australia may also work with the new King Charles in a related spirit of open mutual enlightenment seeking as the King and the Chinese government established the World Wildlife Fund (WWF) years ago. We have more pandas and fewer kids today to prove it. Meanwhile, ignorant voting may be better seen as nuts as the major principle for judging action and its outcomes. The alternative state appears to be for us all to try to gain more openly cooperative operational understanding.

A decade ago, I wrote in response to Planned Giving, at Sydney University: *'in making a residuary bequest to Sydney University, the purpose of the bequest is to openly implement the Sydney University 2011-2015 Strategic Plan, in some areas, and to develop open projects discussed broadly later. Key particular goals of the bequest are discussed in this context too'*. (On writing my will in 2022 I left everything to my daughter instead. See these matters on www.Carolodonnell.com.au under the Heritage Way side bar.)

We may help society by openly investing in the more genuinely productive death. From the dominant Christian law and heritage view on death, that as an atheist I don't share, the

development of a more productive death recognizes and celebrates God's Fact that all must die before having the chance to sit with Him in Paradise. This is a new opportunity. Today, we may get many better and broader deals, conditions and environments for all by openly planning our deaths so that we can perhaps race our institutions against our offspring to achieve our mutual goals up until and beyond our death. (Are we all on the same page?)

Coverforce Strata Insure Pty Ltd knows how to play this risk management game but I'm not sure that anybody else in NSW housing wants to, which is depressing. (On the other hand, Harry Triguboff appears to me to be a man who do does what you want, which always seems good around here locally. I would ask him about it.) On the front page of the **Coverforce Strata Insure, Pty. Ltd. Financial Services Guide the organisation trumpets its LACK OF INDEPENDENCE**. Apparently, this means they: *'are not independent, impartial, or unbiased, pursuant to section 923A of the Corporation Act'*. Three examples are then given of why Coverforce Strata Insure is not independent. They may have associations or relationships with issuers of insurance products and other financial products. They may receive remuneration, commission, gifts or other benefits when providing personal advice in relation to insurance and other financial products. They may also be subject to direct or indirect restrictions relating to the financial products in respect of which personal advice is provided. Coverforce is a wholly owned subsidiary of Steadfast Group Limited and is in the Steadfast Brokers network for a fee. They ask if I have any questions for them and I do.

Having lived at St James Court and seen steeply rising insurance premium costs since 1994 I have often wondered who is making the claims on our escalating insurance policy under strata plan 10775, composed of 18 terrace house arrangements. How many claims are made yearly, by whom; what are the claims made for; how are they dealt with? Can Coverforce tell me anything about this? (I ask as I live in this place as an owner without a mortgage who is also on the strata management committee, unlike the normal investor.) This claims information superficially seems key data at any particular and regional building management level. It seems vital to identify and address risks and costs, to manage them to avoid more in future. This embryonic approach to risk management, which is taken in national health care through diagnostically related group (DRG) accounting and in workers compensation insurance, for example, was considered normal in all Australian states during the 1980s. Then this key understanding was lost through the driving devastations of poorly constructed IT which is designed to sell more rather than provide service. Housing is thus a growing and expensive mess? Is it too many useless jobs, jobs, jobs and career structures?

God knows what goes on under the Corporations Act or in other financial legislation but the matter appears to have huge moral relevance to the health of populations, industries and individuals in any region. Coverforce dealings with the insurance of the place, at least on paper, were the first understanding in this most expensive insurance space I've had since 1994. It shows, I hope, that somebody big out there knows what they are supposed to be doing to establish plain systems which serve the people, rather than just adding to past confusing and costly problems. How far am I right in this thinking? God alone knows?

See the related recommendations and personal stories attached.

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